

STATE OF TENNESSEE
ECONOMIC CHARACTERISTICS*

TENNESSEE'S ECONOMIC GROWTH

The economic future for Tennessee remains bright. Characteristics of the state which have been identified as important reasons why firms have chosen Tennessee sites include work-force related factors such as worker productivity, right-to-work laws and low unionization, as well as access to markets and pro-business attitude of the state. Other factors include relatively inexpensive energy, plentiful natural resources and sun-belt location. Tennessee's gross state product as a percentage of gross domestic product increased from 1.5% in 1987 to 1.7% in 1996, and personal income was 1.64% in 1987 and 1.79% in 1996.

(Expressed in Millions)

<u>YEAR</u>	<u>GROSS STATE PRODUCT</u>	<u>PERSONAL INCOME</u>	<u>DISPOSABLE PERSONAL INCOME</u>
1987	70,375	63,691	57,147
1988	75,286	68,379	61,866
1989	79,606	73,179	65,749
1990	82,585	79,689	70,020
1991	87,819	83,954	73,635
1992	94,142	91,538	79,822
1993	103,216	96,657	84,185
1994	112,333	103,398	89,756
1995	120,441	110,578	95,160
1996	128,910 (EST)	115,613 (EST)	103,420 (EST)

TENNESSEE GROSS STATE PRODUCT BY SECTOR

(Expressed in Millions)

	<u>1986</u>	<u>1991</u>	<u>1996 (EST)</u>	<u>SECTOR AS PERCENTAGE OF 1996 TOTAL</u>
MANUFACTURING	\$15,409	\$20,859	\$28,786	22.3%
CONSTRUCTION	3,025	3,250	5,707	4.4%
MINING	360	338	360	0.3%
TRADE	12,311	16,108	24,011	18.6%
SERVICES	8,596	13,556	22,408	17.4%
FINANCE, INSURANCE AND REAL ESTATE	8,704	11,740	16,578	12.9%
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	5,478	7,393	10,922	8.5%
FEDERAL GOVERNMENT	3,669	5,373	6,289	4.9%
STATE & LOCAL GOVERNMENT	5,253	7,726	11,793	9.1%
AGRICULTURE	1,054	1,475	2,057	1.6%
TOTAL GROSS STATE PRODUCT	<u>\$63,859</u>	<u>\$87,818</u>	<u>\$128,911</u>	<u>100.0%</u>

TENNESSEE AVERAGE ANNUAL WAGE BY SECTOR

PERCENTAGE
CHANGE
(From 1986 to 1996)

	<u>1986</u>	<u>1991</u>	<u>1996 (EST)</u>	
MANUFACTURING	\$20,046	\$25,461	\$30,612	52.7%
CONSTRUCTION	19,479	24,150	27,626	41.8%
MINING	22,343	28,414	36,380	62.8%
TRADE	13,965	16,644	19,832	42.0%
SERVICES	16,906	21,433	24,885	47.2%
FINANCE, INSURANCE AND REAL ESTATE	21,651	26,414	33,997	57.0%
TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES	24,884	29,981	33,726	35.5%
FEDERAL GOVERNMENT	27,121	33,636	43,260	59.5%
STATE & LOCAL GOVERNMENT	16,714	19,917	22,073	32.1%
AGRICULTURE	5,902	8,782	9,906	67.8%
AVERAGE ALL SECTORS	\$18,901	\$23,483	\$28,230	49.4%

*Except as otherwise noted, the source for all economic information presented is the Economic Report to the Governor of the State of Tennessee on the State's Economic Outlook 1997 developed by the Center for Business and Economic Research, College of Business Administration, The University of Tennessee, Knoxville. The source for Disposable Personal Income is the magazine "Survey of Current Business".

MANUFACTURING

Manufacturing investment in Tennessee totaled \$3.4 billion in 1996, marking the fourteenth consecutive billion dollar year for the state. The combined new plant and expansion projects announced are expected to create 20,863 new job opportunities. The tables which follow indicate the state's manufacturing gross product, employment and industrial expansion.

TENNESSEE MANUFACTURING GROSS PRODUCT

	(Expressed in Millions)			PERCENTAGE CHANGE (FROM 1986 TO 1996)
	1986	1991	1996 (EST)	
DURABLES:				
FURNITURE & FIXTURES	\$ 589	\$ 658	\$ 890	51.1%
FABRICATED METALS	1,446	1,766	2,413	66.9%
NONELECTRICAL MACHINERY	1,427	1,611	2,386	67.2%
ELECTRICAL MACHINERY	1,146	1,492	2,319	102.4%
TRANSPORTATION EQUIPMENT	1,446	1,942	3,762	160.2%
OTHER	2,105	3,022	4,454	111.6%
TOTAL DURABLES	8,159	10,491	16,224	98.8%
NONDURABLES:				
FOOD	1,412	2,217	2,465	74.6%
TEXTILES	513	576	713	39.0%
APPAREL	930	1,296	1,425	53.2%
PAPER	922	1,357	1,676	81.8%
PRINTING & PUBLISHING	725	1,030	1,557	114.8%
CHEMICALS	1,598	2,328	2,525	58.0%
RUBBER & PLASTICS	880	1,188	1,708	94.1%
OTHER	269	374	493	83.3%
TOTAL NONDURABLES	7,249	10,366	12,562	73.3%
TOTALS	\$ 15,408	\$ 20,857	\$ 28,786	86.8%

TENNESSEE MANUFACTURING EMPLOYMENT

	(Expressed in Thousands)			PERCENTAGE CHANGE (FROM 1986 TO 1996)
	1986	1991	1996 (EST)	
DURABLES:				
FURNITURE & FIXTURES	24.5	26.1	29.4	20.0%
FABRICATED METALS	39.1	41.7	46.3	18.4%
NONELECTRICAL MACHINERY	37.3	35.4	44.2	18.5%
ELECTRICAL MACHINERY	35.2	35.5	39.9	13.4%
TRANSPORTATION EQUIPMENT	33.0	41.3	53.9	63.3%
OTHER	70.4	68.6	76.1	8.1%
TOTAL DURABLES	239.5	248.6	289.8	21.0%
NONDURABLES:				
FOOD	38.4	37.3	37.4	-2.6%
TEXTILES	23.1	20.2	20.0	-13.4%
APPAREL	63.8	60.6	45.9	-28.1%
PAPER	18.3	21.6	21.3	16.4%
PRINTING & PUBLISHING	32.9	37.0	39.1	18.8%
CHEMICALS	37.9	39.2	36.2	-4.5%
RUBBER & PLASTICS	24.2	27.7	33.1	36.8%
OTHER	12.6	10.6	7.1	-43.7%
TOTAL NONDURABLES	251.2	254.2	240.1	-4.4%
TOTALS	490.7	502.8	529.9	8.0%

INDUSTRIAL GROWTH IN TENNESSEE
NEW PLANTS AND EXPANSIONS

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
NUMBER:										
NEW	140	132	92	80	76	72	60	81	80	106
EXPANSIONS	202	173	797	788	424	957	1,013	886	864	563
	342	305	889	868	500	1,029	1,073	967	944	669
INVESTMENT (In Thousands):										
NEW	\$791,490	\$517,912	\$898,084	\$661,359	\$578,596	\$210,362	\$178,234	\$694,517	\$1,005,577	\$579,598
EXPANSIONS	809,788	1,041,701	2,307,740	1,136,002	827,082	1,917,229	1,875,672	1,787,295	2,254,233	2,805,861
	\$1,601,278	\$1,559,613	\$3,205,824	\$1,797,361	\$1,405,678	\$2,127,591	\$2,053,906	\$2,481,812	\$3,259,810	\$3,385,459
JOB OPPORTUNITIES:										
NEW	13,644	10,634	7,753	7,171	4,831	4,534	5,515	9,538	4,862	8,820
EXPANSIONS	11,093	8,111	20,759	12,457	10,880	20,030	18,306	16,779	12,485	12,043
	24,737	18,745	28,512	19,628	15,711	24,564	23,821	26,317	17,347	20,863

TOP FIFTY TENNESSEE COMPANIES

(Ranked by Number of Employees in Tennessee)

<u>COMPANY</u>	<u>NUMBER OF EMPLOYEES</u>	<u>COMPANY</u>	<u>NUMBER OF EMPLOYEES</u>
FEDERAL EXPRESS CORPORATION	25,126	26. TRW	3,188
TENNESSEE EASTMAN COMPANY	17,500	27. COVENANT TRANSPORT	3,065
MARTIN MARIETTA CORPORATION	16,760	28. JOHNSON CONTROLS	3,015
KROGER	11,000	29. CRACKER BARREL OLD COUNTRY STORE INC.	3,010
OPRYLAND USA/GAYLORD ENTERTAINMENT CO.	9,000	30. MALONE & HYDE	3,009
GENERAL MOTORS CORPORATION - SATURN	7,889	31. GOODYEAR TIRE & RUBBER COMPANY	3,000
SOUTH CENTRAL BELL	6,500	32. SUNTRUST BANK	2,985
NISSAN	6,000	33. PROVIDENT	2,976
K-MART CORPORATION	5,700	34. MCKEE BAKING COMPANY	2,922
UNITED PARCEL SERVICE	5,500	35. TEXTRON	2,910
GENESCO	5,408	36. ALLIED SIGNAL	2,831
MASCO	5,337	37. MAGNETEK	2,791
LEVI STRAUSS & COMPANY	5,010	38. DANA CORP.	2,765
INTER CITY PRODUCTS CORPORATION, USA	5,000	39. ANCHOR ADVANCE PRODUCTS	2,750
COLUMBIA/HCA	4,805	40. REGIONAL MEDICAL CENTER AT MEMPHIS	2,700
METHODIST HEALTH SYSTEMS, INC.	4,500	41. KRYSTAL	2,695
TOMPKINS PLC	4,416	42. STATE INDUSTRIES	2,672
QUEBECOR CORPORATION	4,256	43. GANNETT COMPANY	2,559
SHONEY'S	4,125	44. MAYTAG	2,550
FIRST TENNESSEE BANK	3,800	45. B B & T MANAGEMENT	2,462
PHILIPS ELECTRIC	3,650	46. BRIDGESTONE CORPORATION	2,445
FIRST AMERICAN NATIONAL BANK	3,464	47. COCA-COLA, INC.	2,406
HENRY SIEGEL CO.	3,401	48. ALLIED CLINICAL LABORATORIES	2,400
SERVICE MERCHANDISE	3,350	49. DEROYAL INDUSTRIES, INC.	2,245
DUPONT	3,210	50. UNITED TECHNOLOGIES CORPORATION	2,215

Source: Tennessee Department of Economic and Community Development and Dunn & Bradstreet Business Rankings 1997.

AGRICULTURE

Important export commodities such as soybeans, tobacco, feed grains, cotton, and greenhouse and nursery products are among the top income earners for Tennessee farmers.

CASH RECEIPTS (Expressed in Millions)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996 (EST)
CROPS	\$841.1	\$869.6	\$863.3	\$946.3	\$901.7	\$1,092.0	\$1,063.9	\$1,199.9	\$1,227.8	\$1,374.1
MEAT ANIMALS	691.0	635.7	605.7	594.8	586.4	542.5	482.3	498.4	420.2	463.0
DAIRY PRODUCTS	273.1	261.5	267.1	281.1	239.1	260.8	250.2	247.4	239.4	253.6
POULTRY AND EGGS	122.2	134.3	167.6	147.6	159.8	166.2	199.8	197.0	203.4	251.7
TOTALS	\$1,927.4	\$1,901.1	\$1,903.7	\$1,969.8	\$1,887.0	\$2,061.5	\$1,996.2	\$2,142.7	\$2,090.8	\$2,342.4

POPULATION AND EMPLOYMENT TREND

The state's population has grown steadily in recent history by over one-half of 1% per year, while its unemployment rate has dropped below that of the national average.

(Expressed in Thousands except Unemployment Rates)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996 (EST)
POPULATION	4,783	4,822	4,854	4,891	4,951	5,020	5,094	5,176	5,256	5,327
LABOR FORCE	2,334	2,338	2,368	2,387	2,421	2,455	2,500	2,663	2,712	2,759
TOTAL EMPLOYMENT	2,180	2,203	2,247	2,261	2,258	2,298	2,357	2,536	2,571	2,623
UNEMPLOYMENT	154	135	121	126	163	158	144	127	141	136
TN UNEMPLOYMENT RATE	6.6%	5.8%	5.1%	5.3%	6.7%	6.4%	5.7%	4.8%	5.2%	4.9%
U.S. UNEMPLOYMENT RATE	6.2%	5.5%	5.3%	5.6%	6.8%	7.5%	6.9%	6.1%	5.6%	5.4%

BANK DEPOSITS, SALES AND EFFECTIVE BUYING INCOME

YEAR	BANK DEPOSITS	SALES	(Expressed in Thousands)
			EFFECTIVE BUYING INCOME MEDIAN HOUSEHOLD
1987	34,054	36,728	21.6
1988	36,297	38,903	20.9
1989	38,196	40,438	22.2
1990	39,872	41,991	23.6
1991	41,339	42,650	27.0
1992	44,105	45,473	28.5
1993	46,596	49,112	30.1
1994	48,531	53,778	31.8
1995	52,321	57,943	29.1
1996	57,219	60,636	39.4

NEW PRIVATELY OWNED HOUSING UNITS AUTHORIZED IN PERMIT-ISSUING PLACES VALUATION OF BUILDING PERMITS ISSUED

(Expressed in Thousands)

YEAR	VALUATION	YEAR	VALUATION
1987	1,851,013	1992	1,779,702
1988	1,660,147	1993	2,171,097
1989	1,450,794	1994	2,538,773
1990	1,317,082	1995	2,838,290
1991	1,358,758	1996	3,334,419

SOURCE: The Tennessee Econometric Model, Tennessee Department of Employment Security Labor Summary, Sales and Marketing Management, U.S. Bureau of the Census Construction Reports, Tennessee Agricultural Statistics Service Cash Receipts Estimates, and Tennessee Department of Financial Institutions Annual Report.

POPULATION, TAX BASE AND PERSONAL INCOME

(Expressed in Thousands)

<u>YEAR</u>	<u>POPULATION</u>	<u>ASSESSED VALUE</u>	<u>APPRAISED/ ESTIMATED CURRENT VALUE</u>	<u>PERSONAL INCOME</u>	<u>PER CAPITA INCOME</u>
1987	4,783	31,123,000	125,102,000	63,691,000	13.3
1988	4,822	32,519,000	129,813,000	68,379,000	14.2
1989	4,854	36,511,000	144,957,000	73,179,000	15.1
1990	4,891	38,312,000	150,701,000	79,689,000	16.3
1991	4,951	43,109,000	161,366,000	83,954,000	17.0
1992	5,020	44,672,000	162,609,000	91,538,000	18.2
1993	5,094	49,593,000	170,264,000	96,657,000	19.0
1994	5,176	51,686,000	176,895,000	103,398,000	20.0
1995	5,256	53,915,000	191,993,000	110,578,000	21.0
1996	5,327	56,072,000 (EST)	207,352,000 (EST)	115,613,000	21.7

PUBLIC SCHOOL ENROLLMENT GRADES K-12

<u>ACADEMIC YEAR</u>	<u>GRADES K-3</u>	<u>GRADES 4-6</u>	<u>GRADES 7-9</u>	<u>GRADES 10-12</u>	<u>TOTAL K-12</u>
1987-88	273,392	188,588	197,939	181,052	840,971
1988-89	276,021	194,153	196,378	175,765	842,317
1989-90	276,891	196,308	197,306	170,340	840,845
1990-91	283,395	203,861	203,560	171,040	861,856
1991-92	285,071	207,836	208,853	170,553	872,313
1992-93	287,687	210,294	213,561	174,909	886,451
1993-94	294,876	212,082	219,896	177,743	904,597
1994-95	300,440	213,703	222,982	179,552	916,677
1995-96	308,006	215,579	225,154	180,969	929,708
1996-97	316,094	217,823	226,287	183,852	944,056

<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
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UNIVERSITIES:

AUSTIN PEAY STATE	4,160	3,983	4,630	4,629	5,440	5,709	5,992	5,740	5,763	6,072
EAST TENNESSEE STATE	8,431	8,957	9,292	9,454	9,782	9,667	9,321	9,312	9,355	9,450
MIDDLE TENNESSEE STATE	10,398	11,388	12,151	12,751	13,346	14,239	14,629	14,226	14,504	14,916
TENNESSEE STATE	5,426	5,815	5,805	5,690	5,802	5,957	6,110	6,438	6,787	7,007
TENNESSEE TECHNOLOGICAL	7,061	7,371	7,080	7,297	7,071	7,473	7,472	7,353	7,303	7,230
UNIVERSITY OF MEMPHIS***	15,144	15,285	15,532	15,610	15,421	15,254	15,317	15,177	15,495	15,001
UNIVERSITY OF TENNESSEE:										
CHATTANOOGA	5,557	5,769	5,850	6,000	6,216	6,375	6,515	6,438	6,540	6,608
KNOXVILLE	22,179	20,742	21,025	21,544	21,793	22,065	21,696	21,575	21,454	21,528
MARTIN	4,473	4,283	4,744	5,055	5,210	5,333	5,313	5,308	5,497	5,376
TOTAL UNIVERSITIES	82,829	83,593	86,109	88,030	90,081	92,072	92,365	91,567	92,698	93,188

COMMUNITY COLLEGES:

CHATTANOOGA STATE TECH	3,416	3,710	4,243	4,660	5,107	5,369	5,214	5,144	4,982	5,427
CLEVELAND STATE	1,707	1,798	1,860	2,052	2,137	2,234	2,151	1,929	2,204	2,111
COLUMBIA STATE	1,563	1,606	1,821	2,045	2,177	2,361	2,255	2,331	2,501	2,639
DYERSBURG STATE	962	976	1,114	1,230	1,357	1,289	1,357	1,380	1,373	1,531
JACKSON STATE	1,704	1,663	1,850	2,035	2,159	2,188	2,143	2,088	2,155	2,223
MOTLOW STATE	1,392	1,438	1,574	1,794	2,013	2,150	2,117	2,133	2,077	2,116
NORTHEAST STATE TECH	*	*	*	1,804	2,058	2,222	2,288	2,372	2,314	2,459
PELLISSIPPI STATE TECH	**	2,038	3,145	4,022	4,818	5,098	4,941	4,866	4,768	5,003
ROANE STATE	2,909	2,663	3,044	3,376	3,589	3,848	3,713	3,614	3,591	3,688
SHELBY STATE	2,282	2,589	2,845	2,946	4,068	4,482	4,567	4,189	3,998	3,740
VOLUNTEER STATE	2,034	2,110	2,246	2,585	3,046	3,369	3,611	3,783	3,904	4,129
WALTERS STATE	2,395	2,276	2,636	2,934	3,357	3,542	3,520	3,602	3,507	3,731
TOTAL COMMUNITY COLLEGES	20,364	22,867	26,378	31,483	35,886	38,152	37,877	37,431	37,374	38,797
TOTAL ALL INSTITUTIONS	103,193	106,460	112,487	119,513	125,967	130,224	130,242	128,998	130,072	131,985

* Effective July 1, 1990 Tri-City State Technical Institute became Northeast State Community College.

**Effective July 1, 1988 Pellissippi became a State Community College.

*** Effective July 1, 1994 Memphis State University became University of Memphis.

Sources: The Tennessee Econometric Model, State Board of Equalization, Tennessee Department of Education and the Higher Education Commission.